

CALENDAR ITEM

C44

A 50

12/06/16

PRC 4480.9

S 26

C. Hudson

**RESCISSION OF LEASE APPROVAL; TERMINATION OF A
GENERAL LEASE – PUBLIC AGENCY USE; AND
ISSUANCE OF A GENERAL LEASE – INDUSTRIAL USE**

APPLICANT/LESSEE:

City of Los Angeles Department of Water and Power

PROPOSED LEASE:

AREA, LAND TYPE, AND LOCATION:

Sovereign land in the Pacific Ocean, near the city of Santa Monica, Los Angeles County.

AUTHORIZED USE:

Continued maintenance of a non-operational underwater electrode array and related structures; construction, use, and maintenance of a new underwater electrode array and related structures.

LEASE TERM:

20 years for new underwater electrode array and related structures;
3 years for non-operational underwater electrode array, beginning
December 6, 2016.

CONSIDERATION:

The public use and benefit; with the State reserving the right at any time to set a monetary rent if the Commission finds such action to be in the State's best interests.

SPECIFIC LEASE PROVISIONS:

Insurance: Liability insurance in an amount no less than \$1,000,000 per occurrence, or equivalent staff-approved self-insurance program.

Bond: \$1,000,000.

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Other:

1. Lessee agrees to remove the existing 48 electrodes and associated cables by June 30, 2017.
2. Lessee shall submit a feasibility study, no later than June 1, 2018, for Commission review and approval, for the full removal of the existing 24 cement vaults and any remaining related structures.
3. Lessee shall be responsible for reimbursing all of Lessor's reasonable staff expenses, not to exceed \$10,000 per year, for ensuring compliance with all terms and conditions of the Lease.
4. Construction: Within 60 days of completion of construction of the electrode array, Lessee shall provide Lessor a set of as-builts detailing the location of the improvements including, if necessary, revised Exhibits A and B. The revised Exhibits shall be incorporated into the Lease and shall replace the existing Exhibits, upon review and written approval by the Commission's Executive Officer or designee.

BACKGROUND:

On July 30, 1970, the Commission authorized a 49-year General Lease – Public Agency Use to the City of Los Angeles Department of Water and Power (LADWP), for an underwater electrode array ([Calendar Item C6, July 30, 1970](#)). This Lease will expire on July 22, 2019. In February 2016, the Commission authorized a new General Lease – Public Agency Use to LADWP for the continued use and maintenance of the existing electrode array ([Calendar Item C70, February 9, 2016](#)). The Applicant is applying for a new lease to construct a new, larger underwater electrode array to replace the existing array.

The underwater electrode array is part of the Sylmar Ground Return System (System), an integral component of the Pacific Direct Current Intertie (PDCI). The PDCI is a high-voltage direct current transmission line carries power between Southern California and the Pacific Northwest. In order to function properly, the PDCI requires a ground return system to safely conduct and dissipate any overflows of energy into the ocean. The System functions as a safeguard to allow the PDCI to continue operating for a period of time if a fault occurs on the transmission line that might otherwise cause a power outage on the line.

The existing underwater electrode array is approximately one mile offshore and rests directly on the ocean floor at a depth of about 50 feet below mean sea

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level. The existing array consists of 24 concrete vaults, 48 electrodes, marine cables, marker buoys, and other related structures. Each concrete vault is approximately 7-feet long, 11-feet wide, and 6-feet high. The existing array would be decommissioned after the new array is constructed and placed into service. The existing electrode array is no longer optimally suited for operation at full capacity, and some of the existing components and concrete vaults have deteriorated significantly since their original installation. The existing System, including the electrode array, requires an upgrade to accomplish several goals: to increase the reliability and stability of the power generation and delivery system for Southern California; to continue to meet current and projected demand for power; and to help increase the available share of renewable resource energy. The new electrode array must be located farther offshore because a specific safe distance is required to reduce corrosive effects to onshore infrastructure. The Applicant opted to address these operational needs by proposing the installation of a new larger electrode array in a different location and alignment.

The proposed new underwater electrode array would be located approximately two miles offshore directly on the ocean floor at a depth of about 100 feet below mean sea level and would be composed of 36 concrete vaults, 144 electrodes, marine cables, marker buoys, and other related structures. Each approximately 20-ton vault would be 20-feet long, eight-feet wide, and four-feet high. The vaults would be arranged in two rows of 18 vaults, with each vault and row spaced approximately 30-feet apart. Each vault would consist of a fiberglass reinforced concrete floor and ceiling. Each vault's sides would be open but covered with a Kevlar mesh, which would have a maximum one-inch exclusion size. Each vault would house four silicon iron electrode rod elements suspended from the ceiling with metal brackets.

Construction and installation of the new electrode array is expected to begin in the first quarter of 2017, and would take approximately five months to complete. The construction schedule for the new array does not include removal of the existing electrode array. The equipment for installation would include a cable pulling rig, barge, tug boats, small water craft, a cable-laying vessel, jet plow, 30-ton crane, and a 500 kilowatt generator. In addition, some truck trips would be required to deliver equipment and materials to the site during cable pulling.

The new vaults would be transported to and loaded onto the barge, and transported to the proposed electrode array site. Three separate barge trips would be required to and from the electrode site during the installation process.

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In addition to vault placement, construction activities would also include new cables being pulled through two separate conduits and into the nearby vault by a cable pulling rig, which would be parked near the vault. The cable would be fed from the barge stations in the bay and buried about five feet on the ocean floor using a jet plow. The cable pulling is expected to require one week to complete.

STAFF ANALYSIS AND RECOMMENDATION:

Authority:

Public Resources Code sections 6005, 6216, 6301, and 30001.2;
California Code of Regulations, title 2, section 2000, subdivision (b).

Public Trust and State's Best Interests Analysis:

The existing electrode array and marker buoys (to avert mooring of vessels) were constructed by LADWP in 1970 and are part of the System which provides power in the event of an interruption and also ensures a consistent flow of electricity along the line during normal operations. The tide and submerged lands in Santa Monica Bay were chosen as the location because they are near the Sylmar converter station and are isolated from other industrial facilities. The existing electrode array is currently a necessary component of the existing power grid that provides power to the general public in the Southern California region.

The existing electrode array has reached the end of its useful life, and LADWP believes that building a new electrode array that is larger and located farther offshore and in deeper water would help to provide safe and reliable power for Southern California. Like the existing electrode array, the new electrode array would be a necessary component of the existing power grid. Based on its location two miles offshore and sitting on the ocean floor, no impacts to recreation, navigation or fishing are anticipated. Marker buoys will be located above the vaults to warn those in the area of the location of the array.

Under the existing lease, the Commission may require the Lessee to restore the lease premises to their original condition. The Lessee must construct the new electrode array before it begins removal of the existing electrode array. LADWP did not analyze a full removal plan of the existing electrode array as part of the EIR for the new electrode array project. Commission staff needs additional information before it can recommend how to proceed with the disposition of the existing electrode array. Commission staff believes full removal of the existing electrode array and related structures would likely be in the best interests of the State and

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recommends requiring the Lessee to prepare a feasibility study for full removal of the existing electrode array within 18 months of the new lease start date. Depending on the additional information and potential work involved, further environmental analysis may also be necessary. Any proposed action on the disposition of the existing electrode array would be considered by the Commission at a future meeting.

The proposed lease is for a 20-year term for the new electrode array. The proposed new electrode array will be located further offshore and in deeper water, and staff believes there is less of a risk of impact to public recreation, navigation, or fishing. The lease includes provisions requiring the Lessee to indemnify the State for any liability incurred as a result of the Lessee's activities thereon and a requirement to restore the lease premises to their original condition upon termination of the lease. Part of the consideration for approving this lease for the new electrode array is the Lessee's agreement to remove all the existing electrode array structures, as required under the previous lease, once the new electrode array is operational. Commission staff recommends rescinding the prior authorization, issuing a new lease for the proposed new electrode array and terminating the existing lease once the new lease is effective.

Sea Level Rise

Climate change impacts, including sea-level rise, more frequent and intense storm events, and increased flooding and erosion, affect both open coastal areas and inland waterways in California. The lease area is located onshore under the beach and offshore in the Santa Monica Bay, which is a tidally-influenced site vulnerable to flooding at current sea levels; therefore, this area would likely be at a higher risk of flood exposure given future projection scenarios of sea-level rise. Compared with year 2000 levels, the region could see up to one foot of sea-level rise by 2030, two feet by 2050, and possibly over five feet by 2100 (NRC, 2012). Rising sea levels can lead to increased flooding through regular inundation and larger flooding events when combined with tidal events and storm surges. These climate change and sea-level rise impacts can also affect erosion and sedimentation rates through increased wave action and scour, which in turn can lead to decreased shoreline stability and structure.

Improvements in the lease area include existing conduit that carry cables from onshore to offshore through the surf and near-shore zones, the electrode array, and other related structures. The proposed improvements

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to be added to the lease area include 36 concrete vaults, 144 electrodes, cables, and other related structures farther offshore from existing structures.

The combination of these projected conditions, particularly greater rates of beach erosion, scour, and wave action, may increase the likelihood of exposure and damage to the conduit within the lease area. The conduit appears to be more exposed to scour pressures because of its placement five feet to the east of an existing rock groin, which experiences greater amounts of erosion than the west side. To avoid the creation of a public safety hazard, the conduit near the rock groin should be kept in good repair and buried. The cables may also require more frequent examination to ensure they remain buried to avoid any hazards to wildlife and the public. The floating marker buoys above the existing and proposed concrete vaults might need a longer chain in the future to connect the buoy to the anchors to accommodate rising sea levels. Regular maintenance and monitoring, as required by the terms of the lease, will reduce the likelihood of severe structural degradation or dislodgement.

Conclusion

Based on the information known to Commission staff at this time, the subject existing and proposed facilities do not currently substantially interfere with the Public Trust needs and values at this location, and are in the best interests of the State.

OTHER PERTINENT INFORMATION:

1. This action promotes Strategy 1.1 of the Commission's Strategic Plan, by assisting in the delivery of the highest levels of public health and safety in the protection, preservation, and responsible economic use of the lands and resources under the Commission's jurisdiction.
2. **Rescission of the Lease Approval and Termination of the Existing Lease:** The rescission of the lease authorization and the termination of existing lease are not projects as defined by the California Environmental Quality Act (CEQA) because they are administrative actions that will not result in direct or indirect physical changes in the environment.

Authority: Public Resources Code section 21065 and California Code of Regulations, title 14, section 15378, subdivision (b)(5).

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3. **Issuance of New Lease for Existing Structures:** Staff recommends that the Commission find that issuance of the lease is exempt from the requirements of CEQA as a categorically exempt project. The project is exempt under Class 1, Existing Facilities; California Code of Regulations, title 2, section 2905, subdivision (a)(2).

Authority: Public Resources Code section 21084 and California Code of Regulations, title 14, section 15300 and California Code of Regulations, title 2, section 2905.

4. **Issuance of a New Lease for New Structures:** An EIR, State Clearinghouse No. 2010091044, was prepared for this project by Los Angeles Department of Water and Power and certified on August 2, 2016. Commission staff has reviewed such document and Mitigation Monitoring Program prepared pursuant to the provisions of CEQA (Pub. Resources Code, § 21081.6) and adopted by the lead agency.

Findings made in conformance with the State CEQA Guidelines (Cal. Code Regs., tit. 14, §§ 15091, 15096) are contained in Exhibit C, attached hereto.

A Statement of Overriding Considerations made pursuant to the State CEQA Guidelines (Cal. Code Regs., tit. 14, § 15093) is contained in Exhibit D, attached hereto.

5. This activity involves lands identified as possessing significant environmental values pursuant to Public Resources Code section 6370 et seq., but such activity will not affect those significant lands. Based upon staff's consultation with the persons nominating such lands and through the CEQA review process, it is staff's opinion that the project, as proposed, is consistent with its use classification.

APPROVALS OBTAINED:

The Board of Water and Power Commissioners of the City of Los Angeles

FURTHER APPROVALS REQUIRED:

U.S. Army Corps of Engineers
U.S. Fish and Wildlife Service
California Coastal Commission
California Regional Water Quality Control Board, Los Angeles Region

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EXHIBITS:

- A. Land Description of New Electrode Array Lease Area
- A-1. Land Description of Existing Electrode Array Lease Area
- B. Site and Location Map
- C. Mitigation Monitoring Program
- D. Findings and Statement of Overriding Considerations

RECOMMENDED ACTION:

It is recommended that the Commission:

CEQA FINDING:

Issuance of a New Lease for New Structures: Find that an EIR, State Clearinghouse No. 2010091044, was prepared for this Project by Los Angeles Department of Water and Power and certified on August 2, 2016, and that the Commission has reviewed and considered the information contained therein.

Adopt the Mitigation Monitoring Program, as contained in Exhibit C, attached hereto.

Adopt the Findings, made in conformance with California Code of Regulations, title 14, sections 15091 and 15096, subdivision (h), as contained in Exhibit D, attached hereto.

Adopt the Statement of Overriding Considerations made in conformance with California Code of Regulations, title 14, section 15093, as contained in Exhibit D, attached hereto.

PUBLIC TRUST AND STATE'S BEST INTERESTS:

Find that the proposed lease will not substantially interfere with public rights to navigation and fishing or with the Public Trust needs and values at this location at this time, is consistent with the common law Public Trust Doctrine, and is in the best interests of the State.

SIGNIFICANT LANDS INVENTORY FINDING:

Find that this issuance of the lease is consistent with the use classification designated by the Commission for the land pursuant to Public Resources Code section 6370 et seq.

CALENDAR ITEM NO. **C44** (CONT'D)

AUTHORIZATION:

1. Rescind approval of the February 9, 2016 authorization for the termination and issuance of a General Lease – Public Agency Use for Lease No. PRC 4480.9.
2. Authorize issuance of a General Lease – Industrial Use to the City of Los Angeles Department of Water and Power beginning December 6, 2016, for a term of 20 years for the construction, use, and maintenance of a new underwater electrode array and related structures; and a term of 3 years for the maintenance of the non-operational underwater electrode array and related structures; as described in Exhibits A, and A-1, and shown on Exhibit B (for reference purposes only) attached and by this reference made a part hereof; consideration to be the public use and benefit, with the State reserving the right at any time to set a monetary rent if the Commission finds such action to be in the State's best interests; liability insurance in an amount no less than \$1,000,000 per occurrence, or equivalent staff-approved self-insurance program; and surety bond in an amount of \$1,000,000.
3. Authorize termination of Lease No. PRC 4480.9, a General Lease – Public Agency Use, to the City of Los Angeles Department of Water and Power, effective immediately after the new lease authorized in Paragraph 2 above, is fully executed and in effect.
4. Authorize the Executive Officer or her designee to replace Exhibits in the lease upon submission, review, and approval of as-built plans detailing the final location of the new improvements following construction and installation.

EXHIBIT A

PRC 4480.9

LAND DESCRIPTION

A parcel of tide and submerged land in Santa Monica Bay, Pacific Ocean, at Will Rogers State Beach situate in the County of Los Angeles, State of California, more particularly described as follows:

BEGINNING at the southerly terminus of the centerline of an easement acquired from the State of California, acting through the Department of Parks and Recreation, described in deed recorded January 30, 1970, Book D-4621, Page 451, official records of Los Angeles County, and bearing N 3°03'36" E, a distance of 222.58 feet to a C.E. STD. SURV. MON. 21410-9 as shown on "Plat of State Lands" indexed as L-CC62 and found in State Lands Commission lease file PRC 4480.9, said point also being a point on the mean high tide line of the Pacific Ocean as shown on said plat; thence from said POINT OF BEGINNING the following five (5) courses:

- 1) S 86°56'24" E, 5.00 feet;
- 2) S 24°46'55" W, 11713.25 feet;
- 3) N 63°45'48" W, 733.18 feet;
- 4) N 28°19'26" E, 11713.31 feet;
- 5) S 86°56'24" E, 5.00 feet to the POINT OF BEGINNING.

EXCEPTING THEREFROM any portion lying landward of the ordinary high water mark of said Bay, Ocean.

END OF DESCRIPTION

Prepared the State Lands Commission boundary unit on 10/14/16.



EXHIBIT A-1

PRC 4480.9

LAND DESCRIPTION

A parcel of tide and submerged land in Santa Monica Bay, Pacific Ocean, at Will Rogers State Beach situate in the County of Los Angeles, State of California, more particularly described as follows:

BEGINNING at the southerly terminus of the centerline of an easement acquired from the State of California, acting through the Department of Parks and Recreation, described in deed recorded January 30, 1970, Book D-4621, Page 451, official records of Los Angeles County, and bearing N 3°03'36" E, a distance of 222.58 feet to a C.E. STD. SURV. MON. 21410-9 as shown on "Plat of State Lands" indexed as L-CC62 and found in State Lands Commission lease file PRC 4480.9, said point also being a point on the mean high tide line of the Pacific Ocean as shown on said plat; thence from said POINT OF BEGINNING the following seven (7) courses:

- 1) S 86°56'24" E, 5.00 feet;
- 2) S 17°16'09" E, 475.20 feet;
- 3) S 0°18'44" W, 4825.05 feet;
- 4) S 68°32'56" W, 800 feet;
- 5) N 05°46'32" E, 5157.29 feet;
- 6) N 12°38'12" E, 451.79 feet;
- 7) S 86°56'24" E, 7.00 feet to the POINT OF BEGINNING.

EXCEPTING THEREFROM any portion lying landward of the ordinary high water mark of said Bay, Ocean.

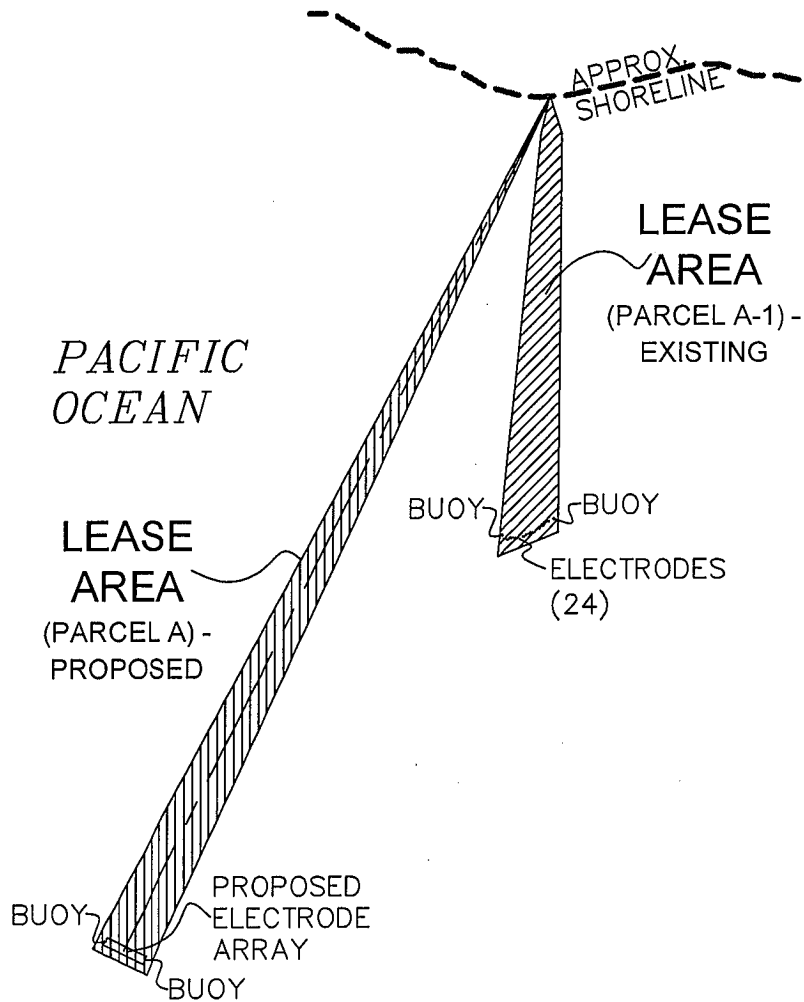
END OF DESCRIPTION

Revised by the State Lands Commission boundary unit on 12/21/15. Original description found in PRC file 4480, "Exhibit A" Calendar Item 6 dated 7/30/70"



NO SCALE

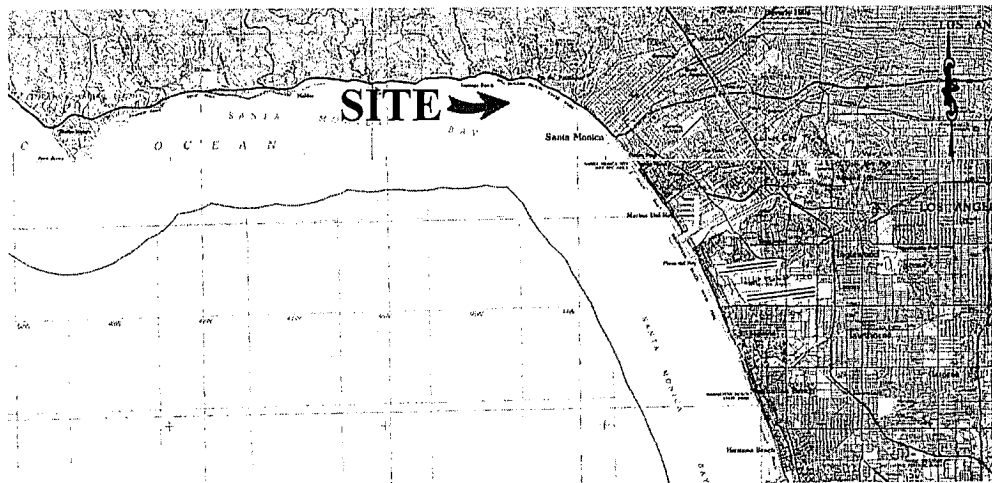
SITE



WILL RODGERS STATE BEACH, SANTA MONICA

NO SCALE

LOCATION



MAP SOURCE: USGS QUAD

This Exhibit is solely for purposes of generally defining the lease premises, is based on unverified information provided by the Lessee or other parties and is not intended to be, nor shall it be construed as, a waiver or limitation of any State interest in the subject or any other property.

Exhibit B

PRC 4480.9

LADWP

GENERAL LEASE -
PUBLIC AGENCY USE
LOS ANGELES COUNTY



MJF 10/28/16

EXHIBIT C
CALIFORNIA STATE LANDS COMMISSION
MITIGATION MONITORING PROGRAM
DREDGING AT LAGOON INTAKE STRUCTURE
(PRC 4480, State Clearinghouse No. 2010091044)

The California State Lands Commission (Commission) is a responsible agency under the California Environmental Quality Act (CEQA) for the Sylmar Ground Return System Replacement Project (Project). The CEQA lead agency for the Project is Los Angeles Department of Power and Water (Applicant).

In conjunction with approval of this Project, the Commission adopts this Mitigation Monitoring Program (MMP) for the implementation of mitigation measures (MMs) for the portion(s) of the Project located on Commission lands. The purpose of a MMP is to discuss feasible measures to avoid or substantially reduce the significant environmental impacts from a project identified in an Environmental Impact Report (EIR) or a Mitigated Negative Declaration (MND). State CEQA Guidelines section 15097, subdivision (a), states in part:¹

In order to ensure that the mitigation measures and project revisions identified in the EIR or negative declaration are implemented, the public agency shall adopt a program for monitoring or reporting on the revisions which it has required in the project and the measures it has imposed to mitigate or avoid significant environmental effects. A public agency may delegate reporting or monitoring responsibilities to another public agency or to a private entity which accepts the delegation; however, until mitigation measures have been completed the lead agency remains responsible for ensuring that implementation of the mitigation measures occurs in accordance with the program.

The lead agency has certified an EIR, State Clearinghouse No. 2010091044, and adopted a MMP for the whole of the Project (see Exhibit C, Attachment C-1) and remains responsible for ensuring that implementation of the MMs occurs in accordance with its program. The Commission's action and authority as a responsible agency apply only to the MMs listed in Table C-1 below because they are specific to lands under Commission's jurisdiction. Because the Commission is acting as a responsible agency, the MMs apply only to the extent that they are feasible and may affect lands and resources under the Commission's jurisdiction. The full text of each MM, as set forth in the MMP prepared by the CEQA lead agency and listed in Table C-1, is incorporated by reference in this Exhibit C. Any MMs adopted by the Commission that differ substantially from those adopted by the lead agency are shown as follows:

- Additions to the text of the MM are underlined
- Deletions of the text of the MM are shown as ~~strikeout~~ or as otherwise noted

¹ The State CEQA Guidelines are found at California Code of Regulations, title 14, section 15000 et seq.

Table C-1. Project Impacts and Applicable Mitigation Measures

Potential Impact	Mitigation Measure (MM) ²	Difference Between CSLC MMP and Lead Agency MMP
Impact AIR-1. Potential Impacts from Temporary and Short-Term Reactive Organic Gases and Oxides of Nitrogen Emissions	MM AIR-1. Equipment Maintenance	None
	MM AIR-2. Equipment Operation	None
	MM AIR-3. Catalytic Converters	None
Impact BIO-1. Potential Impacts to Marine Mammals and Sea Turtles	MM BIO-1. Marine Mammal and Sea Turtle Avoidance Practices	None
Impact BMP-2. Potential Impacts to Rocky Reef and Kelp Habitat	BMP-2. Pre-Construction Survey	None
Impact BMP-3. Potential Impacts to Archaeological Resources	BMP-3. Archaeological Resources	None
Impact BMP-4. Potential Impacts to Human Remains	BMP-4. Human Remains	None
Impact BMP-5. Potential Recreational Impacts from Existing and Proposed Underwater Structures	BMP-5. Marine Location Markings	None
Impact BMP-6. Potential Recreational Impacts from Project-Related Construction Activities	BMP-6. Issuance of Notices	None
Impact BMP-7. Potential Impacts to Water Quality	BMP-7. Hazardous Materials	None

² See Attachment C-1 for the full text of each MM taken from the MMP prepared by the CEQA lead agency.

ATTACHMENT C-1

**Mitigation Monitoring Program Adopted by the
Los Angeles Department of Power and Water**

ATTACHMENT C-1

Sylmar Ground Return System Replacement Project – Final Environmental Impact Report
Appendix B: Mitigation Monitoring and Reporting Program

SYLMAR GROUND RETURN SYSTEM REPLACEMENT PROJECT MITIGATION MONITORING AND REPORTING PROGRAM

NUMBER	MITIGATION MEASURES/BMP'S	MONITORING TIMEFRAME	ENFORCING MONITORING AGENCY	VERIFICATION OF COMPLIANCE		
				Initials	Date	Remarks
Air Quality/Greenhouse Gas Emissions						
BMP-1	Fugitive Dust Control Plan Construction of the Project would be subject to the South Coast Air Quality Management District's (SCAQMD) Rule 403, Fugitive Dust. In compliance with this rule, a dust control supervisor shall be identified for the Project and shall supervise implementation of the SCAQMD-approved dust control plan. The plan will itemize measures related to vehicle trackout, stabilizing soils, water application, and maintenance of soil moisture content.	During construction	LADWP			
MM AIR-1	Equipment Maintenance – All equipment shall be properly tuned and maintained in accordance with manufacturer's specifications.	During construction	LADWP			
MM AIR-2	Equipment Operation – The contractor shall maintain and operate construction equipment to minimize exhaust emissions. During construction, trucks and vehicles will minimize idling when not in use to the extent feasible.	During construction	LADWP			
MM AIR-3	Catalytic Converters – Catalytic converters shall be installed on all heavy construction equipment, where feasible.	During construction	LADWP			
Biological Resources						
MM BIO-1	Marine Mammal and Sea Turtle Avoidance Practices 1. A biological monitor will be required on vessels and, when appropriate, in the water during construction activities within Santa Monica Bay and will have the authority in coordination with LADWP to halt and redirect construction activities to avoid adverse impacts to marine wildlife. If a sea turtle or marine mammal is identified within 100 meters of the construction work zone, construction activity shall be temporarily halted until the sea turtle or marine mammal moves safely beyond this distance. 2. Construction and vessel crews will be trained to recognize and avoid marine mammals and sea turtles prior to initiation of Project construction activities. 3. Vessels involved in construction activities will maintain a steady course and slow speed. 4. Any collisions with marine wildlife will be reported promptly to state and federal resource agencies.	During construction	LADWP			
BMP-2	Pre-Construction Survey A pre-construction survey utilizing a remotely operated vehicle (ROV) would be conducted to ensure that Project facilities (buried cables and electrode array) would be located within soft-bottom conditions, which is necessary for facilities installation but would also ensure avoidance of rocky reef and kelp habitat.	During construction	LADWP			

**SYLMAR GROUND RETURN SYSTEM REPLACEMENT PROJECT
MITIGATION MONITORING AND REPORTING PROGRAM**

NUMBER	MITIGATION MEASURE/BMP'S	MONITORING TIMEFRAME	ENFORCING MONITORING AGENCY	VERIFICATION OF COMPLIANCE		
				Initials	Date	Remarks
Cultural Resources						
BMP-3	Archaeological Resources Should previously unknown archaeological resources be found during project construction activities, all activities shall cease in the immediate area of the discovered resource. A project archaeologist shall be retained to first determine whether the resource discovered is a unique archaeological resource pursuant to Section 21083.2(g) of the California Public Resources Code (PRC) or a historical resource pursuant to Section 15064.5(a) of the CEQA Guidelines. If the archaeological resource is determined to be a unique archaeological resource or a historical resource, the archaeologist shall recommend disposition of the site and formulate a mitigation plan in consultation with LADWP and CSLC that satisfies the requirements of Section 21083.2 of the PRC and/or Section 15064.5 of the CEQA Guidelines. The final disposition of archaeological, historical, and paleontological resources recovered on State lands under the jurisdiction of the CSLC must be approved by the CSLC. If the archaeologist determines that the archaeological resource is not a unique archaeological resource or historical resource, the site will be recorded and the site form submitted to the California Historical Resource Information System (CHRIS) at the South Central Coastal Information Center (SCCIC). The archaeologist shall prepare a report of the results of any study prepared following accepted professional practice and guidelines of the California Office of Historic Preservation. Copies of the report shall be submitted to the CHRIS at the SCCIC.	During construction	LADWP			
BMP-4	Human Remains In accordance with Section 7050.5 of the California Health and Safety Code, if human remains are found, the County Coroner shall be notified within 24 hours of the discovery. No further disturbance of the site or any nearby area reasonably suspected to overlie other remains shall occur until the Coroner has determined, within two working days of notification of the discovery, the appropriate treatment and disposition of the human remains. If the Coroner determines that the remains are or are believed to be Native American, the Coroner shall notify the Native American Heritage Commission (NAHC) in Sacramento within 48 hours. In accordance with PRC Section 5097.98, the NAHC must immediately notify those persons it believes to be the most likely descended from the deceased Native American. The descendants shall complete an inspection of the site within 48 hours of being granted access. The designated Native American representative shall then determine, in consultation with LADWP, the disposition of the human remains.	During construction	LADWP			

SYLMAR GROUND RETURN SYSTEM REPLACEMENT PROJECT MITIGATION MONITORING AND REPORTING PROGRAM

NUMBER	MITIGATION MEASURE/BMP'S	MONITORING TIMEFRAME	ENFORCING MONITORING AGENCY	VERIFICATION OF COMPLIANCE		
				Initials	Date	Remarks
Recreation and Fishing						
BMP-5	Marine Location Markings The position of the electrode array will be marked using surface buoys, and the United States Coast Guard (USCG) and other responsible entities will be notified of the position and as-built characteristics of the electrode array and underwater cables.	During construction and Project operation	LADWP			
BMP-6	Issuance of Notices Advance notice of construction activities shall be provided to local recreational and commercial boaters and fisherman through the USCG Notice to Mariners regarding the restrictions in the use of the Project area with sufficient lead-time for affected persons to plan for alternate times and places to perform offshore activities. In addition, LADWP shall post notices in the harbor master's offices at least 15 days in advance of in-water construction activities.	Prior to construction	LADWP			
Water Quality						
BMP-7	Hazardous Materials As required by the Clean Air Act, Section 401 of the Clean Water Act, the Toxic Substance Control Act, and the Hazardous Materials Transportation Act, all vehicles, vessels, and equipment must be in proper working condition to avoid fugitive emissions or accidental release of motor oil, fuel, antifreeze, hydraulic fluid, grease, or other hazardous materials. To reduce potential for accidental spills and discharges that could impact water and sediment quality during construction, the following are recommended: <ul style="list-style-type: none">Discharge of hazardous materials during construction activities into the Project area shall be prohibited.A comprehensive spill prevention control and countermeasure plan shall be developed that documents management practices that will be enacted to limit the potential for accidental spills.An environmental protection plan shall be developed that addresses issues related to storage and handling of fuel, waste disposal, equipment and vessel operation, and field policies.All debris and trash shall be disposed of in appropriate trash containers on land or on construction barges by the end of each construction day.	During construction	LADWP			

EXHIBIT D – Sylmar Ground Return System Replacement Project

CALIFORNIA STATE LANDS COMMISSION STATEMENT OF FINDINGS AND STATEMENT OF OVERRIDING CONSIDERATIONS

Sylmar Ground Return System Replacement Project
(PRC 4480, State Clearinghouse No. 2010091044)

1.0 INTRODUCTION

The California State Lands Commission (Commission), acting as a responsible agency under the California Environmental Quality Act (CEQA), makes these Findings and this Statement of Overriding Considerations to comply with CEQA as part of its discretionary approval to authorize issuance of a General Lease – Industrial Use, to Los Angeles Department of Water and Power (LADWP), for use of sovereign lands associated with the proposed Sylmar Ground Return System Replacement Project (Project). (See generally Pub. Resources Code, § 21069; State CEQA Guidelines, § 15381.)¹ The Commission has jurisdiction and management authority over all ungranted tidelands, submerged lands, and the beds of navigable lakes and waterways. The Commission also has certain residual and review authority for tidelands and submerged lands legislatively granted in trust to local jurisdictions. (Pub. Resources Code, §§ 6301, 6306, 6009, subd. (c).) All tidelands and submerged lands, granted or ungranted, as well as navigable lakes and waterways, are subject to the protections of the common law Public Trust.

The Commission is a responsible agency under CEQA for the Project because the Commission must approve a lease for the Project to go forward and because the LADWP, as the CEQA lead agency, has the principal responsibility for approving the Project and has completed its environmental review under CEQA. The LADWP analyzed the environmental impacts associated with the Project in a Final Environmental Impact Report (EIR) (State Clearinghouse [SCH] No. 2010091044) and, in August 2, 2016, certified the EIR and adopted a Mitigation Monitoring Program (MMP) and Findings, and a Statement of Overriding Considerations.

The Project involves continued maintenance of an existing non-operational underwater electrode array and related structures and construction of a new underwater electrode array and related structures. The LADWP determined that the Project could have significant environmental effects on the following environmental resources:

- Air Quality/Greenhouse Gas Emissions
- Biological Resources
- Cultural Resources
- Noise

¹ CEQA is codified in Public Resources Code section 21000 et seq. The State CEQA Guidelines are found in California Code of Regulations, title 14, section 15000 et seq.

- Recreation and Fishing
- Water Quality

Of the six resources areas noted above, Project components within the Commission's jurisdiction (i.e., underwater electrode arrays) could have significant environmental effects on all of the six resource areas above.

In certifying the EIR and approving the Project, the LADWP imposed various mitigation measures (MMs) for Project-related significant effects on the environment as conditions of Project approval and concluded that Project-related impacts would be substantially lessened with implementation of these MMs such that the impacts would be less than significant. However, even with the integration of all feasible mitigation, the LADWP concluded in the EIR that some of the identified impacts would remain significant. As a result, the LADWP adopted a Statement of Overriding Considerations to support its approval of the Project despite the significant and unavoidable impacts. The LADWP determined that, after mitigation, the Project may still have significant impacts on Air Quality. Because some of these significant impacts may occur on lands under the jurisdiction of the Commission, the Commission also adopts the Statement of Overriding Considerations set forth in this exhibit as part of its approval.

As a responsible agency, the Commission complies with CEQA by considering the EIR and reaching its own conclusions on whether, how, and with what conditions to approve a project. In doing so, the Commission may require changes in a project to lessen or avoid the effects, either direct or indirect, of that part of the project which the Commission will be called on to carry out or approve. In order to ensure the identified MMs and/or Project revisions are implemented, the Commission adopts the MMP as set forth in Exhibit C as part of its Project approval.

2.0 FINDINGS

The Commission's role as a responsible agency affects the scope of, but not the obligation to adopt, findings required by CEQA. Findings are required under CEQA by each "public agency" that approves a project for which an EIR has been certified that identifies one or more significant impacts on the environment (Pub. Resources Code, § 21081, subd. (a); State CEQA Guidelines, § 15091, subd. (a).) Because the EIR certified by the LADWP for the Project identifies potentially significant impacts that fall within the scope of the Commission's approval, the Commission makes the Findings set forth below as a responsible agency under CEQA. (State CEQA Guidelines, § 15096, subd. (h).)

While the Commission must consider the environmental impacts of the Project as set forth in the EIR, the Commission's obligation to mitigate or avoid the direct or indirect environmental impacts of the Project is limited to those parts which it decides to carry out, finance, or approve (Pub. Resources Code, § 21002.1, subd. (d); State CEQA Guidelines, §§ 15041, subd. (b), 15096, subds. (f)-(g).) Accordingly, because the Commission's exercise of discretion involves only issuing a General Lease – Industrial Use for this Project, the Commission is responsible for considering only the

environmental impacts related to lands or resources subject to the Commission's jurisdiction. With respect to all other impacts associated with implementation of the Project, the Commission is bound by the legal presumption that the EIR fully complies with CEQA.

The Commission has reviewed and considered the information contained in the Project EIR. All significant adverse impacts of the Project identified in the EIR relating to the Commission's approval of a General Lease – Industrial Use, which would allow to maintain existing electrode array and construct proposed electrode array under water, are included herein and organized according to the resource affected.

These Findings, which reflect the independent judgment of the Commission, are intended to comply with CEQA's mandate that no public agency shall approve or carry out a project for which an EIR has been certified that identifies one or more significant environmental effects unless the agency makes written findings for each of those significant effects. Possible findings on each significant effect are:

- (1) Changes or alterations have been required in, or incorporated into, the Project that avoid or substantially lessen the significant environmental effect as identified in the EIR.
- (2) Such changes or alterations are within the responsibility and jurisdiction of another public agency and not the Commission. Such changes have been adopted by such other agency or can and should be adopted by such other agency.
- (3) Specific economic, legal, social, technological or other considerations, including provision of employment opportunities for highly trained workers, make infeasible the mitigation measures or project alternatives identified in the EIR.²

A discussion of supporting facts follows each Finding.

- Whenever Finding (1) occurs, the mitigation measures that lessen the significant environmental impact are identified in the facts supporting the Finding.
- Whenever Finding (2) occurs, the agencies with jurisdiction are specified. These agencies, within their respective spheres of influence, have the responsibility to adopt, implement, and enforce the mitigation discussed.
- Wherever Finding (3) is made, the Commission has determined that, even after implementation of all feasible MMs and consideration of feasible alternatives, the identified impact will exceed the significance criteria set forth in the EIR. Furthermore, to the extent that potentially feasible measures have been alleged or proposed, the Findings explain why certain economic, legal, social, technological or other considerations render such possibilities infeasible. The significant and unavoidable impacts requiring Finding (3) are identified in the EIR, discussed in the Responses to Comments, and

² See Public Resources Code section 21081, subdivision (a) and State CEQA Guidelines section 15091, subdivision (a).

explained below. Having done everything it can to avoid and substantially lessen these effects consistent with its legal authority and CEQA, the Commission finds in these instances that overriding economic, legal, social, and other benefits of the approved Project outweigh the resulting significant and unavoidable impacts. The Statement of Overriding Considerations adopted as part of this exhibit applies to all such unavoidable impacts as required by CEQA. (Pub. Resources Code, § 21081, subd. (b); State CEQA Guidelines, §§ 15092 and 15093.)

These Findings are supported by substantial evidence contained in the EIR and other relevant information provided to the Commission or existing in its files, all of which is contained in the administrative record. The MMs are briefly described in these Findings; more detail on the MMs is included in the EIR.

The Commission is the custodian of the record of proceedings upon which its decision is based. The location of the Commission's record of proceedings is in the Sacramento office of the Commission, 100 Howe Avenue, Suite 100-South, Sacramento, CA 95825.

A. SUMMARY OF FINDINGS

Based on public scoping, the proposed Project will have No Impact on the following environmental issue areas:

- Noise
- Traffic and Transportation

The EIR subsequently identified the following impacts as Less Than Significant:

- Biological Resources
- Cultural Resources
- Recreation and Fishing
- Water Quality

For the remaining potentially significant effects, the Findings are organized by significant impacts within the EIR issue areas as presented below.

B. IMPACTS REDUCED TO LESS THAN SIGNIFICANT LEVELS WITH MITIGATION

The impacts identified below were determined in the EIR to be potentially significant absent mitigation; after application of mitigation, however, the impacts were determined to be less than significant. For the full text of each MM, please refer to Exhibit C, Attachment C-1.

Resource Areas	Impacts
1. Biological Resources	BIO-1, BMP-2
2. Cultural Resources	BMP-3, BMP-4
3. Recreation and Fishing	BMP-5, BMP-6
4. Water Quality	BMP-7

1. BIOLOGICAL RESOURCES (BIO)

CEQA FINDING NO. BIO-1

Impact: **Impact BIO-1. Potential Impacts to Marine Mammals and Sea Turtles.**

Finding(s): (1) Changes or alterations have been required in, or incorporated into, the project that mitigate or avoid the significant environmental effect as identified in the EIR.

FACTS SUPPORTING THE FINDING(S)

Activities proposed as part of the Project have the potential to result in potential collision with marine mammals and sea turtles during construction.

Implementation of MM(s) BIO-1 has been incorporated into the Project to reduce this impact to a less than significant level by having a biological monitor on vessels and training vessel crews to recognize and avoid marine mammals and sea turtles as summarized below:

- MM BIO-1: Marine Mammal and Sea Turtle Avoidance Practices

LEVEL OF SIGNIFICANCE AFTER MITIGATION. With the mitigation described above, this impact is reduced to a less than significant level.

CEQA FINDING NO. BEST MANAGEMENT PRACTICES (BMP)-2

Impact: **Impact BMP-2. Potential Impacts to Rocky Reef and Kelp Habitat.**

Finding(s): (1) Changes or alterations have been required in, or incorporated into, the project that mitigate or avoid the significant environmental effect as identified in the EIR.

FACTS SUPPORTING THE FINDING(S)

Activities proposed as part of the Project have the potential to result in impacting rocky reef and kelp habitat.

Implementation of MM(s) BMP-2 has been incorporated into the Project to reduce this impact to a less than significant level by conducting pre-construction survey utilizing a remotely operated vehicle to ensure that proposed Project structures would be located within softbottom conditions and not rocky reef and kelp habitat as summarized below:

- MM BMP-2: Pre-Construction Survey

LEVEL OF SIGNIFICANCE AFTER MITIGATION. With the mitigation described above, this impact is reduced to a less than significant level.

2. CULTURAL RESOURCES

CEQA FINDING NO. BMP-3

Impact: **Impact BMP-3. Potential Impacts to Archaeological Resources.**

Finding(s): (1) Changes or alterations have been required in, or incorporated into, the project that mitigate or avoid the significant environmental effect as identified in the EIR.

FACTS SUPPORTING THE FINDING(S)

Activities proposed as part of the Project have the potential to result in impacts to archaeological resources during Project-related construction activities.

Implementation of MM(s) BMP-3 has been incorporated into the Project to reduce this impact to a less than significant level by ceasing all construction activities in the immediate area where possible archaeological or historic resources are discovered and to consult with the Commission as summarized below:

- MM BMP-3: Archaeological Resources

LEVEL OF SIGNIFICANCE AFTER MITIGATION. With the mitigation described above, this impact is reduced to a less than significant level.

CEQA FINDING NO. BMP-4

Impact: **Impact BMP-4. Potential Impacts to Human Remains.**

Finding(s): (1) Changes or alterations have been required in, or incorporated into, the project that mitigate or avoid the significant environmental effect as identified in the EIR.

FACTS SUPPORTING THE FINDING(S)

Activities proposed as part of the Project have the potential to result in impacts to human remains during Project-related construction activities.

Implementation of MM(s) BMP-4 has been incorporated into the Project to reduce this impact to a less than significant level by notifying Los Angeles County Coroner within 24 hours of discovering human remains as summarized below:

- MM BMP-4: Human Remains

LEVEL OF SIGNIFICANCE AFTER MITIGATION. With the mitigation described above, this impact is reduced to a less than significant level.

3. RECREATION AND FISHING RESOURCES

CEQA FINDING NO. BMP-5

Impact: **Impact BMP-5. Potential Recreational Impacts from Existing and Proposed Underwater Structures.**

Finding(s): (1) Changes or alterations have been required in, or incorporated into, the project that mitigate or avoid the significant environmental effect as identified in the EIR.

FACTS SUPPORTING THE FINDING(S)

Activities proposed as part of the Project have the potential to result in recreational impacts from existing and proposed underwater structures.

Implementation of MM(s) BMP-5 has been incorporated into the Project to reduce this impact to a less than significant level by placing marker buoys above the proposed electrode array and notifying of the position and as-built characteristics of the electrode arrays and underwater cables to appropriate entities such as the U.S. Coast Guard as summarized below:

- MM BMP-5: Marine Location Markings

LEVEL OF SIGNIFICANCE AFTER MITIGATION. With the mitigation described above, this impact is reduced to a less than significant level.

CEQA FINDING NO. BMP-6

Impact: **Impact BMP-6. Potential Recreational Impacts from Project-Related Construction Activities.**

Finding(s): (1) Changes or alterations have been required in, or incorporated into, the project that mitigate or avoid the significant environmental effect as identified in the EIR.

FACTS SUPPORTING THE FINDING(S)

Activities proposed as part of the Project have the potential to result in recreational impacts from Project-related construction activities.

Implementation of MM(s) BMP-6 has been incorporated into the Project to reduce this impact to a less than significant level by providing advance notices of Project-related construction activities and restricted use of the Project area to local recreational and commercial boaters and fisherman through the U.S. Coast Guard Notice to Mariners as summarized below:

- MM BMP-6: Issuance of Notices

LEVEL OF SIGNIFICANCE AFTER MITIGATION. With the mitigation described above, this impact is reduced to a less than significant level.

4. WATER QUALITY

CEQA FINDING NO. BMP-7

Impact: **Impact BMP-7. Potential Impacts to Water Quality.**

Finding(s): (1) Changes or alterations have been required in, or incorporated into, the project that mitigate or avoid the significant environmental effect as identified in the EIR.

FACTS SUPPORTING THE FINDING(S)

Activities proposed as part of the Project have the potential to result in impacts to water quality.

Implementation of MM(s) BMP-7 has been incorporated into the Project to reduce this impact to a less than significant level by prohibiting discharge of hazardous materials, developing a spill prevention control and countermeasure plan, developing a plan for storage and handling fuel and debris as summarized below:

- MM BMP-7: Hazardous Materials

LEVEL OF SIGNIFICANCE AFTER MITIGATION. With the mitigation described above, this impact is reduced to a less than significant level.

C. SIGNIFICANT AND UNAVOIDABLE IMPACTS

The following impacts were determined in the EIR to be significant and unavoidable. The Statement of Overriding Considerations adopted as part of this exhibit applies to all such unavoidable impacts as required by CEQA. (Pub. Resources Code, § 21081, subd. (b); State CEQA Guidelines, §§ 15092 and 15093.)

Resource Areas	Impact
Air Quality/Greenhouse Gases	AIR-1

1. AIR QUALITY/GREENHOUSE GASES (AIR)

CEQA FINDING NO. AIR-1

Impact: **Impact AIR-1. Potential Impacts from Temporary and Short-Term Reactive Organic Gases and Oxides of Nitrogen Emissions.**

Finding(s): (1) Changes or alterations have been required in, or incorporated into, the project that mitigate or avoid the significant environmental effect as identified in the EIR.

(3) Specific economic, legal, social, technological, or other considerations, including considerations for the provision of employment opportunities for highly trained workers, make infeasible the mitigation measures or alternatives identified in the EIR.

FACTS SUPPORTING THE FINDING(S)

Activities proposed as part of the Project that have the potential to result in creating temporary and short-term emissions from reactive organic gases and oxides of nitrogen.

Implementation of MM(s) AIR-1, AIR-2, and AIR-3 has been incorporated into the Project and would reduce the severity of Impact AIR-1 by keeping the equipment properly tuned and maintained according to manufacturer's specifications, minimize exhaust emissions when operating, and make sure catalytic converters are on all heavy construction equipment as summarized below.

- MM AIR-1: Equipment Maintenance
- MM AIR-2: Equipment Operation
- MM AIR-3: Catalytic Converters

LEVEL OF SIGNIFICANCE AFTER MITIGATION. This impact is considered significant and unavoidable.

3.0 STATEMENT OF OVERRIDING CONSIDERATIONS

A. INTRODUCTION

This section addresses the Commission's obligations under Public Resources Code section 21081, subdivisions (a)(3) and (b). (See also State CEQA Guidelines, §§ 15091, subd. (a)(3), 15093.) Under these provisions, CEQA requires the Commission to balance, as applicable, the economic, legal, social, technological, or other benefits, including regionwide or statewide environmental benefits, of the Lease approval related to the Sylmar Ground Return Replacement Project against the backdrop of the Project's unavoidable significant environmental impacts. For purposes of CEQA, if the specific economic, legal, social, technological, or other benefits of a proposed project outweigh the unavoidable significant environmental effects, those effects may be considered acceptable and the decision-making agency may approve the underlying project. (State CEQA Guidelines § 15092, subd. (b)(2)(B).) CEQA, in this respect, does not prohibit the Commission from approving the Lease even if the Project activities as authorized under the Lease may cause significant and unavoidable environmental effects.

This Statement of Overriding Considerations presents the following:

- 1) Specific significant effects on the environment attributable to the approved Project that cannot feasibly be mitigated to below a level of significance
- 2) Benefits derived from the approved Project
- 3) Specific reasons for approving the Project

Although the LADWP and Commission have imposed MMs to reduce impacts, impacts remain that are considered significant after application of all feasible mitigation. Significant impacts of the approved Project fall under one resource area: Air

Quality/Greenhouse Gas Emissions (see Table 1). This impact is specifically identified and discussed in more detail in the Commission’s CEQA Findings and in LADWP’s EIR. While the Commission has required all feasible MMs, this impact remains significant for purposes of adopting this Statement of Overriding Considerations.

Table 1 – Significant and Unavoidable Impacts Identified for the Approved Project

Impact	Impact Description
Air Quality (AIR)	
Impact AIR-1	Potential Impacts from Temporary and Short-Term Reactive Organic Gases and Oxides of Nitrogen Emissions.

B. ALTERNATIVES

As explained in *California Native Plant Society v. City of Santa Cruz* (2009) 177 Cal.App.4th 957, 999-1000:

When it comes time to decide on project approval, the public agency’s decisionmaking body evaluates whether the alternatives [analyzed in the EIR] are actually feasible.... At this final stage of project approval, the agency considers whether ‘[s]pecific economic, legal, social, technological, or other considerations...make infeasible the mitigation measures or alternatives identified in the environmental impact report.’ Broader considerations of policy thus come into play when the decisionmaking body is considering actual feasibility than when the EIR preparer is assessing potential feasibility of the alternatives [citations omitted].

The eight alternatives analyzed in the EIR represent a reasonable range of potentially feasible alternatives that could reduce one or more significant impacts of the Project. These alternatives include:

- 1) No Project Alternative
- 2) Energy Conservation
- 3) Replacement of Pacific Direct Current Intertie Transmission Line with an Alternating Current Transmission Line
- 4) Land-Based Electrode System
- 5) Retrofit of Existing Electrode Array
- 6) Long-Distance Directional Drilling
- 7) Resiting of the Electrode Array and/or Marine Cable Route
- 8) Removal of Existing Sylmar Ground Return System Marine Facility

As presented in the EIR, the alternatives were described and compared with each other and with the proposed Project.

Under State CEQA Guidelines section 15126.6, subdivision (e)(2), if the No Project Alternative is identified as the environmentally superior alternative, the EIR must also

identify an environmentally superior alternative among the other alternatives. Based on the analysis contained in the EIR, there is no clear environmentally superior alternative to the proposed Project that is capable of achieving the Project objective. No one alternative would eliminate the significant and adverse impacts of the proposed Project.

The LADWP independently reviewed and considered the information on alternatives provided in the EIR and in the record. The EIR reflects the LADWP's independent judgment as to alternatives. The LADWP found that the Project provides the best balance between the Project goals and objectives and the Project's benefits. The seven CEQA alternatives proposed and evaluated in the EIR were rejected as being infeasible for the following reasons provided in the LADWP's Final EIR on Pages 1-4, and Revised Draft EIR pages 4-5 and 4-10 (incorporated herein by reference).

- 1) **No Project Alternative** was infeasible due to the potentially severe consequences to the regional power generation and transmission system of not replacing the Sylmar Ground Return System.
- 2) **Energy Conservation** was infeasible because the additional energy conservation at a level necessary to offset the capacity of the 3,100-megawatt Pacific Direct Current Intertie Transmission Line.
- 3) **Replacement of Pacific Direct Current Intertie Transmission Line with an Alternating Current Transmission Line** was infeasible due to the substantially greater cost compared to the proposed Project. Additionally, the broad scope of this alternative would likely lead to greater environmental impacts.
- 4) **Land-Based Electrode System** was infeasible based on economic considerations.
- 5) **Retrofit of Existing Electrode Array** was infeasible due to risks associated with corrosive effects to underground infrastructure. Additionally, LADWP found that this alternative would create greater environmental impacts than the proposed Project.
- 6) **Long-Distance Directional Drilling** was infeasible mainly due to the operational and safety conflicts created by the use of steel casing required for the long-distance horizontal drilling operation.
- 7) **Removal of Existing Sylmar Ground Return System Marine Facility** was infeasible because it would not eliminate any impacts created by the proposed Project and would in fact result in significant impacts not created by the Project. Because the environmental impacts of removing these existing structures were not sufficiently analyzed in the EIR, Commission staff is requiring a feasibility study of removing these structures as a lease condition and only authorizing the maintenance of the existing structures for another 3 years.

Based upon the objectives identified in the EIR and the detailed mitigation measures imposed upon the Project, the Commission has determined that the Project should be approved, subject to such mitigation measures (Exhibit C, Mitigation Monitoring Program), and that any remaining unmitigated environmental impacts attributable to the

Project are outweighed by the following specific economic, fiscal, social, environmental, land use, and other overriding considerations.

C. BENEFICIAL IMPACTS OF THE PROJECT

State CEQA Guidelines section 15093, subdivision (a) requires the decision-making agency to balance, as applicable, the economic, legal, social, technological, or other benefits, including region-wide or statewide environmental benefits, of a proposed project against its unavoidable environmental risks when determining whether to approve the project.

LADWP identified the following reasons for approving the proposed Project (see pages 23 and 24 in Attachment D-1):

- 1) Replace the existing Sylmar Ground Return System marine facility to ensure the continued reliable operation of the Pacific Direct Current Intertie Transmission Line, by allowing the LADWP to increase the reliability and stability of the power generation and delivery system for Southern California
- 2) Continue to meet current and projected demand for power in the region
- 3) Help increase the available share of renewable resource energy for the Pacific Direct Current Intertie partners

D. CONCLUSION

The Commission has considered the EIR and all of the environmental impacts described therein including those that cannot be mitigated to a less than significant level and those that may affect Public Trust uses of State sovereign lands. The Commission has considered the fiscal, economic, legal, social, environmental, and public health and safety benefits of the Project and has balanced them against the Project's unavoidable and unmitigated adverse environmental impacts and, based upon substantial evidence in the record, has determined that the benefits of the Project outweigh the adverse environmental effects. Based on the foregoing and pursuant to Public Resources Code section 21081 and State CEQA Guidelines sections 15096 subdivision (h) and 15093, the Commission finds that the remaining significant unavoidable impacts of the Project are acceptable in light of the economic, fiscal, social, environmental, and public health and safety benefits of the Project. Such benefits outweigh such significant and unavoidable impacts of the Project and provide the substantive and legal basis for this Statement of Overriding Considerations.

The Commission finds that to the extent that any impacts identified in the EIR remain unmitigated, mitigation measures have been required to the extent feasible, although the impacts could not be reduced to a less than significant level.

Based on the above discussion, the Commission finds that the benefits of the Project outweigh the significant unavoidable impacts that could remain after mitigation is applied and considers such impacts acceptable.

ATTACHMENT D-1

Los Angeles Department of Power and Water

Findings Regarding Alternatives and Statement of Overriding Considerations

ATTACHMENT D-1

REGULAR MEETING OF COMMISSIONERS (Continued)

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Not for
Sylmar Ground
Return System
Replacement
Project

NOW, THEREFORE, BE IT RESOLVED that Amendment No.1 to Purchase Order No. 49254-5 with Social Stream Media, LLC, resulting in Agreement No. 47194-6, approved as to form and legality by the City Attorney and on file with the Secretary of the Board is hereby approved and ratified.

BE IT FURTHER RESOLVED that the Chief Accounting Employee of the LADWP, upon proper certification, is authorized and directed to draw demands on Water and Power Revenue Funds, in accordance with the terms of this amendment to Purchase Order No. 49254-5, resulting in Agreement No. 47194-6 and this resolution.

BE IT FURTHER RESOLVED that the President or Vice President, or the General Manager, or such person as the General Manager shall designate in writing, and the Secretary, Assistant Secretary, or the Acting Secretary of the Board are hereby authorized and directed to execute said amendment for and on behalf of LADWP.

ITEM NO. 26 – Resolution recommending Approval of the Sylmar Ground Return System Replacement Project Environmental Impact Report. Submitted by Chief Sustainability and Economic Development Officer and Executive Director – Power System Engineering and Technical Services.

RESOLUTION NO. 017 026

WHEREAS, the Sylmar Ground Return System Project (Project) is an integral component of the Pacific Direct Current Intertie Transmission Line (PDCI), which transmits bulk power between Los Angeles and the Pacific Northwest; and

WHEREAS, the Project functions as a safeguard to allow the PDCI to remain operational for a period of time when a fault occurs on the transmission line, thus preventing a complete outage of the line; and

WHEREAS, due to physical and operational system deficiencies with the existing marine facility of the SGRS, its replacement is proposed to increase the reliability and stability of the power generation and delivery system for Southern California; to continue to meet current and projected demand for power in the region; and to help increase the available share of renewable resource energy for the PDCI partners; and

WHEREAS, the proposed Project would replace the existing marine cables and the marine electrode portions of the SGRS. The replacement facility would be located in the vicinity of the existing SGRS marine facility in the Santa Monica Bay. While the new marine facility would be in a different alignment than the existing, it would serve the same purpose and function as the existing facility; and

WHEREAS, the Los Angeles Department of Water and Power (LADWP) has determined that an Environmental Impact Report (EIR) should be prepared in accordance with the California Environmental Quality Act (CEQA) (Ca. Pub. Res. Code sec. 21000 et seq.) and the State CEQA Guidelines (14 Cal. Code of Regs. Sec. 15000 et seq) for the proposed Project to analyze its environmental impacts; and

WHEREAS, the Notice of Preparation was circulated for comment by responsible and trustee agencies and the public from September 24, 2010 to October 25, 2010; and

WHEREAS, the Draft EIR for the Project was distributed to the public and various public agencies for review and comment from March 10, 2016 to April 25, 2016; and

WHEREAS, written comments on the Draft EIR were received, and responses to those comments have been prepared and included in the Final EIR; and

REGULAR MEETING OF COMMISSIONERS (Continued)

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WHEREAS, the EIR has been presented to the LADWP Board of Commissioners, which has reviewed and considered the information in the EIR and the supporting evidence, and the LADWP Board of Commissioners has determined that the EIR reflects LADWP's independent judgment; and

NOW, THEREFORE, BE IT RESOLVED that the Board of Water and Power Commissioners of the City of Los Angeles (Board) recognizes that a study was made of the potential environmental effects of the proposed Project, including its construction and operation. This study was provided to the Board for review and is embodied in the Draft EIR on file with the Secretary of this Board and is incorporated in this Resolution, and made a part hereof.

BE IT FURTHER RESOLVED that the EIR for the Project consists of the Draft EIR and the Final EIR (response to comments) (collectively the "EIR") has been completed.

BE IT FURTHER RESOLVED that this Board certifies that the EIR is adequate and complete and was prepared, published, circulated, and reviewed in accordance with the requirements of CEQA, the state CEQA Guidelines, and the City of Los Angeles Environmental Quality Act Guidelines, and that the EIR constitutes an adequate, accurate, objective, and complete EIR in full compliance with the requirements of CEQA, the state CEQA Guidelines, and the City of Los Angeles Environmental Quality Act Guidelines.

BE IT FURTHER RESOLVED that the Board certifies that the EIR has been presented to the Board, that the Board has reviewed the EIR as well as staff reports pertaining to the project and all other pertinent documents relating to the preparation of the EIR, and has considered the information contained in the EIR and all other pertinent information prior to acting on the proposed Project, and that the EIR reflects the independent judgment and analysis of this Board.

BE IT FURTHER RESOLVED that this Board makes the following further findings and determinations with respect to the proposed Project:

- LADWP is the lead agency under the CEQA and has prepared an EIR, in compliance with CEQA.
- A Notice of Availability (NOA) of the Draft EIR was prepared and made available for public review from March 10, 2016 through April 25, 2016. The Draft EIR and NOA was filed with the Los Angeles County and City Clerk's offices, submitted to the State Clearinghouse and mailed to interested federal, state, local agencies, organizations and interested individuals. Copies of the Draft EIR were made available in the Palisades Branch Library as well as on the LADWP website. A public notice was published in the *Los Angeles Times* on March 10, 2016.
- LADWP coordinated with several State government agencies, including California State Lands Commission, California Coastal Commission, and the California Department of Fish and Wildlife Services, and through the numerous meetings, gathered input towards the preparation of the Draft EIR.
- From the public outreach efforts, four comment letters were received on the Draft EIR from the following persons/organizations:
 - 1) Elizabeth R. Thomas/ U.S. Army Corps of Engineers, Los Angeles District (March 23, 2016)
 - 2) Cy R. Oggins / California State Lands Commission (April 25, 2016)
 - 3) Scott Morgan/ State Clearinghouse (April 26, 2016)
 - 4) Scott Morgan/ State Clearinghouse (April 26, 2016)

An errata page was prepared and is part of the Final EIR to address changes to the document. All comments and complete responses to comments are also included in the Final EIR (attached).

BE IT FURTHER RESOLVED that the Board, in anticipation of approving the project, hereby adopts and incorporates into the project all of the mitigation measures for the project that are within the responsibility and jurisdiction of LADWP that are identified in the Mitigation Monitoring and Reporting Program (MMRP).

BE IT FURTHER RESOLVED that pursuant to Public Resources Code section 21081.6 and CEQA Guidelines section 15091, and in support of approval of the Project, the Board adopts the MMRP to require all reasonably feasible mitigation measures be implemented by means of project conditions, agreements, or other measures, as set forth in the MMRP. The MMRP is on file with the Secretary of the Board as an attachment to the Board letter and is part of this Resolution. These mitigation measures, over which LADWP will maintain oversight and act as a monitoring agent, are as follows:

POTENTIAL IMPACT	SIGNIFICANCE DETERMINATION	BEST MANAGEMENT PRACTICES / MITIGATION MEASURES	LEVEL OF SIGNIFICANCE AFTER MITIGATION
Air Quality/Greenhouse Gas Emissions			
Construction for the Project would violate an air quality standard or contribute substantially to an existing or projected air quality violation.	<p>Impacts During Construction of the Project, before mitigation: Significant temporary and short-term reactive organic gases (ROG) and oxides of nitrogen (NOx) emissions</p> <p>Operation of the Project, after completion: Less than significant</p>	<p><u>Best Management Practices:</u></p> <p>BMP-1 Fugitive Dust Control Plan</p> <p>Construction of the Project would be subject to the South Coast Air Quality Management District's (SCAQMD) Rule 403, Fugitive Dust. In compliance with this rule, a dust control supervisor shall be identified for the Project and shall supervise implementation of the SCAQMD-approved dust control plan. The plan will itemize measures related to vehicle trackout, stabilizing soils, water application, and maintenance of soil moisture content.</p> <p><u>Mitigation Measures:</u></p> <p>AIR-1 Equipment Maintenance – All equipment shall be properly tuned and maintained in accordance with manufacturer's specifications.</p> <p>AIR-2 Equipment Operation – The contractor shall maintain and operate construction</p>	<p>Impacts During Construction of the Project, after mitigation:</p> <p>Significant and unavoidable Impacts</p> <p>Operation of the Project: N/A</p>

POTENTIAL IMPACT	SIGNIFICANCE DETERMINATION	BEST MANAGEMENT PRACTICES / MITIGATION MEASURES	LEVEL OF SIGNIFICANCE AFTER MITIGATION
		<p>equipment to minimize exhaust emissions. During construction, trucks and vehicles will minimize idling when not in use to the extent feasible.</p> <p>AIR-3 Catalytic Converters – Catalytic converters shall be installed on all heavy construction equipment, where feasible.</p>	
Biological Resources			
<p>Construction for the Project would have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special-status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Wildlife (CDFW) or United States Fish and Wildlife Service (USFWS).</p> <p>Construction for the Project would interfere substantially with the</p>	<p>Impacts During Construction of the Project, before mitigation: Significant impact related to potential for collision with marine mammals or sea turtles during construction</p> <p>Operation of the Project after completion: Less than significant</p>	<p><u>Mitigation Measure:</u></p> <p>BIO-1 Marine Mammal and Sea Turtle Avoidance Practices</p> <ol style="list-style-type: none"> 1. A biological monitor will be required on vessels and, when appropriate, in the water during construction activities within Santa Monica Bay and will have the authority in coordination with the Los Angeles Department of Water and Power (LADWP) to halt and redirect construction activities to avoid adverse impacts to marine wildlife. If a sea turtle or marine mammal is identified within 100 meters of the construction work zone, construction activity shall be temporarily halted until the sea turtle or marine mammal moves safely beyond this distance. 2. Construction and vessel crews will be 	<p>Impacts During Construction of the Project, after mitigation: Less than significant</p> <p>Operation of the Project: N/A</p>

POTENTIAL IMPACT	SIGNIFICANCE DETERMINATION	BEST MANAGEMENT PRACTICES / MITIGATION MEASURES	LEVEL OF SIGNIFICANCE AFTER MITIGATION
movement of any native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors, or impede the use of native wildlife nursery sites.		<p>trained to recognize and avoid marine mammals and sea turtles prior to initiation of Project construction activities.</p> <p>3. Vessels involved in construction activities will maintain a steady course and slow speed.</p> <p>4. Any collisions with marine wildlife will be reported promptly to state and federal resource agencies.</p>	

BE IT FURTHER RESOLVED that this Board finds that the implementation of these mitigation measures would lessen the environmental effects of the proposed Project to less than significant: however, the temporary and short-term construction impacts to air quality would remain significant.

BE IT FURTHER RESOLVED that this Board acknowledges that pursuant to CEQA and the CEQA Guidelines adopted pursuant thereto, that before it may approve a project, which has potentially significant effects on the environment, it must first make certain findings and determinations. Accordingly, the Board determines that the first find whether there are specific economic, legal, social, technological, or other considerations which make infeasible further mitigation measures or project alternatives as identified in the Final EIR and further determine whether the benefits of the project outweigh such unavoidable temporary significant effects. Accordingly, the Board herewith makes the following findings in support of a decision to approve the Project with temporary and short-term air quality significant effects:

There are no additional feasible mitigation measures that would reduce the temporary air quality impacts associated with construction to a level of less than significant. Implementation of mitigation measures AIR-1 through AIR-3 would reduce air pollutant emissions during Project construction. However, reactive organic gases (ROG) and nitric oxide and nitrogen dioxide (NOx) emissions reductions that can be achieved with these measures would not reduce emissions below the level of significance. No permanent significant impacts to air quality would result from Project operations.

BE IT FURTHER RESOLVED that pursuant to Public Resources Code section 21080, subdivision (a) and CEQA Guidelines section 15091, and in support of its approval of the Project, the Board adopts the Statement of Overriding Considerations in support of approval of the Project, and are on file with the Secretary of this Board and is incorporated in this Resolution, and made a part hereof.

BE IT FURTHER RESOLVED that the Board finds that there are specific economic, legal, social, technological or other benefits of the proposed Project which outweigh the temporary significant construction effects on air quality and therefore determines to approve the proposed Project for the following reasons:

Replace the existing SGRS marine facility to ensure the continued reliable operation of the PDCI, by allowing the LADWP to increase the reliability and stability of the power generation and delivery system for Southern California; continue to meet current and projected demand for power in the region; and help increase the available share of renewable

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resource energy for the PDCI partners. Without the proposed Project, the ability to continue operation of the PDCI during short-term disruptions would be severely reduced or infeasible, increasing the likelihood of a complete outage and system-wide failures.

BE IT FURTHER RESOLVED that the Final EIR including all comment letters and responses, is on file with the Secretary of this Board and is incorporated in this Resolution, and made a part hereof.

BE IT FURTHER RESOLVED that this Board finds on the basis of the whole record before it, including the EIR and comments received, that there is no substantial evidence that the Project will have a significant effect on the environment, aside from the temporary construction impacts with air quality.

BE IT FURTHER RESOLVED that based on the above findings, this Board 1) adopts the Final EIR for the proposed Project, 2) requires the implementation of the mitigation measures, and adopts the MMRP, 3) approves the proposed Project and authorizes its construction, and 4) approves payment for permit and mitigation costs associated with this proposed Project.

BE IT FURTHER RESOLVED that the LADWP shall file a Notice of Determination with the Los Angeles City Clerk and the Los Angeles County Clerk within 5 working days after deciding to approve the Project.

BE IT FURTHER RESOLVED that the Environmental Affairs Section will be the custodian of the record of proceedings for this proposed Project.

BE IT FURTHER RESOLVED that pursuant to CEQA Guidelines section 15091(e), the documents and other materials that constitute the record of the proceedings upon which the LADWP Board of Commissioners has based its decision are located in and may be obtained from, the Secretary of the Board at Board of Water and Power Commissioners, Los Angeles Department of Water and Power, Room 1555-H, 111 North Hope Street, Los Angeles, CA 90012. The Secretary of the Board is the custodian of records for all matters before the Board.

ITEM NO. 30 – Authorizes execution of Agreement No. 47408-6 for Owner's Representative Professional Services to Support Repowering Projects Related to Once-Through Cooling Regulation Compliance, Renewable Generation, and Transmission Line Projects. Award to WorleyParsons Group, Inc. for a term of three years and an amount not to exceed \$25,000,000. Submitted by Executive Director – Power System Engineering and Technical Services.

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WHEREAS, the Los Angeles Department of Water and Power (LADWP) has a need for Owner's Representation Services to provide relevant specialized industry expertise, knowledge and know-how, to augment LADWP resources and capabilities in project management, engineering, development of contracts, and quality assurance/quality control management, to ensure successful completion of LADWP projects related to once-through cooling regulation compliance and LADWP's Integrated Resource Plan 2014; and

WHEREAS, Request for Proposal (RFP) No. 90331, was advertised on February 5, 2016, and there were seven proposers; and

WHEREAS, WorleyParsons Group, Inc. (WorleyParsons) was selected from among seven bidders as the most qualified firm to provide the services to LADWP; and

WHEREAS, LADWP proposes to enter into Agreement No. 47408-6 with WorleyParsons for a term of three years and a total not-to-exceed amount of \$25,000,000; and

WHEREAS, WorleyParsons has reviewed the services to be provided, as incorporated in the agreement, and represent that its employees possess the qualities, expertise, skills, and abilities to perform such work; and